

PROGRAM HIGHLIGHTS: Unemployment Insurance

Workforce System Results March 31, 2006

The Federal-State Unemployment Insurance (UI) system has been the nation's first line of defense against unemployment for 70 years. By temporarily replacing part of lost wages, it ameliorates personal financial hardship due to unemployment, and stabilizes the economy during economic downturns. By design, the UI system is highly reactive to changes in the economic climate, whether these changes result from the usual ebb and flow of the business cycle or from periodic shocks such as natural disasters. The UI system's benefit structure is premised on reemployment: benefits are temporary; initial and continuing benefit eligibility requires that a claimant's unemployment be involuntary; and claimants must be able to work, available for work, and, typically, actively seeking work. The concrete application of these requirements varies considerably among the 53 State UI programs (which include the District of Columbia, Puerto Rico, and the Virgin Islands).

PERFORMANCE MEASURES

Payment Timeliness. The percentage of intrastate UI benefit first payments for full weeks of unemployment issued within 14 days following the first compensable week in states with a waiting week, and 21 days in non-waiting week states.

Establish Tax Accounts Promptly. The percent of new employer determinations made within 90 days of the end of the quarter in which employers became liable to pay unemployment taxes.

Detect Benefit Overpayments. The amount of overpayments (dollars) established through state operations as a percent of the estimated amount states can detect and establish for recovery.

Entered Employment Rate. The percent of persons receiving an intrastate first payment in a given quarter who had earnings in the next quarter. (Approval to collect data from all states is being sought).

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he Unemployment Insurance program met its goal for the percentage of employer tax liability determinations made in a timely manner, and exceeded by five percentage points the goal for the detection of recoverable overpayments. The goal for the percentage of intrastate payments made in a timely manner was missed by two percentage points. The timeliness of intrastate first payments continues to be depressed due to the effects of the Gulf Hurricanes, Katrina and Rita, which produced higher-than-normal claims, and below-normal timeliness, primarily in Louisiana and Mississippi in the first quarter of Fiscal Year 2006. The first payment performance in Mississippi and Louisiana continued to be below normal through March 2006.

The gender distribution of recipients was slightly lopsided, with 55 percent being male and 45 percent female. About three quarters of the recipients are in the prime working years, age 25-54, while about 16 percent are age 55 and over. These ratios are very stable from year to year.

Unemployment Insurance System	FY 2006 Goal	Cumulative Outcome for 4/1/2005-3/31/2006
Percent of intrastate payments made timely	89.9%	87.9%
Detection of recoverable overpayments	59.5%	64.7%
Entered employment rate for UI claimants	None	N/A
Percent of employer tax liability determinations made timely	82.5%	82.5%